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MINISTRY OF FINANCE (REVENUE DIVISION)

RESOLUTION

New Delhi, the 17th January 1956

No. 20/8/55-CX.—The structure of the Central Exise Tariff on Tobacco was examined by the Taxation Enquiry Commission set up by the Government of India in the year 1953. That Commission recommended that the present differential tariff on unmanufactured tobacco other than flue-cured should continue but an exhaustive review of the procedure adopted in the working of the criterion for assessment should be made by an expert committee who should examine and recommend the improvements required in the present procedure. The Government of India have accepted this recommendation and have accordingly decided to appoint an Expert Committee for this purpose consisting of the following:

Chairman

Shri K. Raghuramaiah, M.P., Vice-Chairman, Indian Central Tobacco Committee.

Members

1. Shri M. Nageswara Rao, Member, Andhra Legislative Assembly, Guntur.
2. Shri C. G. Guruswamy Naidu, Chinna Kumarapalayam, Dhalli P.O., Udumalpet taluk, Coimbatore District.
3. Shri R. A. Patil, President, District Local Board, South Satara, Sangli.
4. Shri Mohammad Ayub, Village Rahua, P.O. Warrisnagar, District Darrbhanga.
5. Shri Fulabhai D. Patel, C/o The Gujerat Tobacco Merchants Association, Anand.
6. Dr. M. S. Patel, Secretary, Indian Central Tobacco Committee.
7. Dr. M. B. Ghatge, Agricultural Marketing Adviser, Government of India.
8. To be announced later if an additional member is considered necessary.

Shri R. N. Misra, Collector of Central Excise, Allahabad, will be the Member-Secretary of the Committee.

2. The following will be the terms of reference to the Committee, namely:—

(1) To review generally the departmental procedures now in force for giving effect to the criterion of capability of use for the manufacture of biris laid down

in items 9 I(5) and 9 I(6) of the Central Excise Tariff on Tobacco other than flue-cured, and in particular to ascertain and report:—

- (i) whether the executive concession in the application of this tariff, granted by the Government of India *vide* letter No. 9/16-CX(I)/51, dated the 12th July 1951, addressed by the Central Board of Revenue to Collectors of Central Excise, read with the Government of India, Ministry of Finance (Revenue Division) Notification No. 23-Central Excises, dated the 14th July 1951, have been fully effective in providing the relief which they were intended to give, or whether their scope has, in actual practice, been curtailed by undue rigidity in operation;
- (ii) whether these concessions have been satisfactorily operated or not in different regions of the country, with special reference to—
 - (a) the classifications of tobacco under the various categories laid down in the said letter;
 - (b) “denaturation” (that is to say, treatment to tobacco with foreign ingredients to make it unfit for the manufacture of birls) as a condition precedent to the application of concessional rates of duty;
 - (c) the extent to which normal movements from one market to another have been affected by the administration of the concessions.

(2) In the light of the observations of the Taxation Enquiry Commission (1953-54) on the subject, to recommend modifications, if any, which are considered necessary in the existing concessions, and in the instructions contained in the letter of the Central Board of Revenue referred to in paragraph 2(1)(i) above, having regard to the legitimate interests of the tobacco trade, the security of the revenue, and smooth administration of the concessions.

(3) To consider generally the methods adopted for estimating the produce of tobacco growers for purposes of accounting and assessment, and to recommend measures for remedying the defects, if any, in the existing methods.

(4) To make any other recommendations germane to the objective of the investigation.

3. The Committee will submit its report to the Ministry of Finance (Revenue Division) within six months of the date of its appointment.

4. The Committee will function in the Revenue Division of the Ministry of Finance, New Delhi.

B. N. BANERJI, Jt. Secy.